



Proposal to change governance arrangements

Summary of comments received

Introduction

This is a summary of comments at the 2006 National Advisory Congress regional meetings, comments by individual members and discussion on ALIA e-lists in response to the *Proposal to change governance arrangements: issues paper – July 2006*.

Reports from all but two of the regional NAC meetings included comment on the issues paper. There were comments from 11 individual members, either to the governance@alia.org.au e-mail address, to individual Directors or on ALIA e-lists.

General comments

A number of regional meetings and individuals gave general support for the proposed changes, but without providing any further detailed comments. For example:

-I say 'Congratulations' to the current Executive Director and current Board for addressing some of the problems ALIA faces now.
- I have read the Issues Paper and fully endorse the proposed changes.
- In justifying the change you may wish to stress that this is to give better service to members by decreasing the bureaucratic procedures and having wider input to decision making.

Others expressed broad disagreement:

-I can see no reason for the changes and will not be supporting them. It is unclear how the current Board believes the changes '...will lead to improvements in the way the Board, and ALIA operate...'
- I see nothing in these changes which make me think that the membership will grow and that ALIA will become the professional and vibrant association it once was.
- Generally I have not been convinced with the information provided by the issues paper that the changes proposed by the Board are really necessary or would improve the governance of ALIA
- I appreciate that there is considerable cost associated with annual elections and challenges for ALIA staff with a new President every year, but I don't believe these are sufficient reasons to change ALIA's election process. Are there any other options for ALIA to reduce the cost of our election process such as electronic voting?
- The proposals outlined in the issues papers don't offer better business continuity.
- You could be left with the impression from the governance issues paper that the Board considers only some ALIA members suitable Board members. The Board has to be careful they don't alienate the membership and deliberately or not reduce the pool of members from who potential Board members can be selected. The Board must remain representative of its membership base.

Other issues raised included:

- A question on whether the ALIA By laws advisory group was consulted and if so what was its opinion.
- The suggestion that there should be more information available about candidates for election to the Board and more interaction between prospective Directors and members, such as an online forum
- A suggestion that ALIA introduce online voting
- Support for the provision of training for Board members to assist them in performing the duties and for introducing of PD training for ALIA members to assist them to become 'board ready'; these skills would be beneficial in their work environment as well.

Comments on the changes proposed

1. The President, Vice-president and five elected directors would be elected for two years terms in a single election

Summary

There was some confusion about this proposal, as it appears that some members were not clear what the current model is and exactly how the proposed model differs from it.

Some found the proposal ambiguous.

There was some support for Directors, the President and Vice-president all being elected for two-year terms. However, there was seen to be a need for an election each year for part of the Board, to avoid the risk of a complete change of membership of the Board every two years.

In support

- Gives more scope for longer-term projects
- Board would need fewer meetings if Directors hold office for a longer period of time
- Two year elections appears very sensible; not all directors to retire each year
- This would give continuity and lots of other benefits both for the organisation and individuals
- Support for a two-year Presidential term as they felt this would enable the President to complete more projects
- Agreed with two-year term for the President, Vice-president and five elected Directors, but with staggered terms of office
- Need a two-year presidency to take the pressure off the Executive Director.

Against

- All candidates elected together every two years is not an improvement on the current rotational system
- Continuity needs to be built back in – rather than a complete change of Directors at each election it should be half and half.
- Under our current constitution the Vice-president automatically becomes President. This provides continuity for ALIA and the Board with the Vice-president being given 12 months to learn first hand about the running of the Association, to establish a working relationship with ALIA staff, to understand the key issues for the Board and the profession before commencing their 12 month term as President. Nominating for President is actually a two-year commitment, a point that is not acknowledged in the issues paper.
- Better to retain the status quo where the Vice-president becomes the President thereby practically having a two-year term

- Historically, not all Directors have stood for election for a second term. There is therefore a risk that there could be times where all the directors, including President and Vice-president, will have had no Board experience.
- The terms, while longer, should be staggered so that there is not a complete change of knowledge at the Board level at the one time
- A two-year gap between elections could mean that members might not engage with the election process
- The Vice-president would miss out on the important learning role they now have prior to taking on the Presidential year
- Saving on costs of running the elections should not be a primary concern and should not override providing a democratic and inclusive election process

2. The President and Vice-president be elected either:

Option 1: As individual positions separately

or

Option 2: From seven elected Directors.

Summary

There was strongest support for Option 1.

Option 1: As individual positions separately

In support

- This broadens the field of applicants, rather than limiting it to the Directors
- The President and Vice-president should be elected by the ordinary members and this process should be separate from the election of the rest of the Board.
- Option 1 appears preferable because of the commitment involved. If elected by the Directors then you may have fewer nominations for Director because of the possible commitment involved if they became President, or Directors with no one able to make the commitment to be President.
- Agreed that if the new election model of two year terms in a single election is voted in, that the President and Vice-president be elected for two years, with the suggested change that the Vice-president is no longer the President elect, and will need to stand again if they wish to take on the President position for another two year term
- That Presidents of ALIA are voted in for one year as the Vice-president and one year as the President. This is far too short a time span to do anything really useful other than tripping about the country to talkfests.

Against

- I support ALIA's current governance processes whereby the elected Vice-president automatically becomes the President.
- If a President uses their Vice-presidential year constructively they have everything in place to ensure they are able either to promote a particular issue or implement change from the moment they assume the position. This means a two-year term is not required.
- Succession planning has not been addressed. Should the President not be able to fulfil the duties of the office, for whatever reason, does the Vice-president automatically assume the position? A person elected to the position of Vice-president might not want or be suitable to hold the position of President. Under the current system, the Vice-president knows they will be President and this should not be an issue.

- If the position of Vice-president is not the President elect why have this named position? Are there specific tasks for this revised post? If no or few specific duties, then the Vice-president could be elected by the directors, or the Board could comprise a President and six elected directors.
- It is quite an impost on employer organisations to have someone in the role of ALIA President and therefore spending quite a bit of time away from their place of work. A two-year term extends that commitment.
- May limit the field for President to those who can give the position two years?
- Many Executive Directors of professional organisations have the job of dealing with a new president a year.

Option 2: From seven elected Directors.

In support

- President and Vice-president should be elected from the seven elected Directors by members of Board.

Against

- Members would prefer to have a say in who is their Association's President and Vice-president (President elect)
- Having the positions of President and Vice-president elected by members provides legitimacy for the person to hold the position
- The positions of President and Vice-president require considerable commitment by the individual and support from their employer. Members wishing to hold these positions must state their intention from the beginning and nominate for the position.
- This option could reduce the number of members prepared to nominate for the Board, and this should not be encouraged.

3. The Executive Director become a voting rather than non-voting member of the Board

Summary

Most did not support this proposal. The most commonly cited reasons were: the risk of a conflict of interest; the importance of the Executive Director's role in providing impartial advice to the Board; the risk of lack of clarity between governance and management roles; and experience from other organisations that this is not current best practice.

In support

- Managing Directors and Executive Chairmen of large companies have voting rights and are paid employees. So, why should the Executive Director of ALIA be excluded from having voting rights?
- Agree; but mechanisms would be needed to sort out any differences in voting between the President and Executive Director even though one supervises the other
- Support for the Executive Director to become a voting member of the Board as long as there is a policy to review this every few years or with every new Executive Director.

Against

- Giving the Executive Director voting rights would be a conflict of interest
- The Executive Director position requires the Board's support to continue in the role. Keeping the Executive Director at arms length to have carriage of the work for members, directed by the Board, enables this.

- The Executive Director is not elected by the members
- ALIA's Executive Director is an employee of the Association whose role is to provide unbiased and impartial advice to the Board regarding any issue, its impact or consequences for ALIA. To perform this task without any prejudice and impartially the Executive Director should not have any voting rights.
- Paid employees should not be in a position where they can vote on matters before the Board. They should present the facts for the Board to consider, but not be a voting member.
- Providing voting rights to the Executive Director is not considered ethical or best practice. It is inappropriate and very unusual for Boards.
- I believe that it is best current governance practice not to have the CEO or Executive Director as a voting member of the Board. With the Executive Director as a voting member there is little opportunity for the Board to establish a distance from the ALIA management. A good chief executive can still work in a highly effective fashion without having a vote.
- I have a view (formed from involvement in other boards and listening to AICD colleagues) that this detracts from the 'executive' role of the position
- This confuses governance and management. A non-voting Executive Director protects both the Executive Director and the Board.

4. The Board be given the ability to co-opt individuals, who may not be members, to fill up to two additional Director positions and thus add additional skills, knowledge and experience from outside the library sector

Summary

There was both agreement and disagreement with this proposal. Members would like more detail about the implementation of this proposal in particular about the proposed terms of office, criteria for appointment and voting rights of co-opted Directors.

Those supporting the proposal argued that it could bring important skills and expertise to the Board as well influential advocates for the Association and the sector.

Those against said that the Board already has the ability to co-opt expertise and advice as needed, without appointing external Directors. There were concerns about the accountability of non-elected Directors to the membership.

In support

- ALIA desperately needs some smart financial and strategic people at the helm - people who can help solve some of the serious financial drains it has experienced in recent years. And a really skilled strategic marketing person would also be of enormous help.
- Support the idea of having two positions available for people from outside the library industry. However, it does need to be strictly managed, with terms of office and voting rights defined.
- Having an external financial member is a good idea
- Agreed that the Board could co-opt individuals to fill additional positions. The suggestion was put that criteria could include financial and/or legal experience.
- May be particularly relevant for co-opting very influential people from outside the industry who then become de facto advocates as well as fulfilling the role of adding expertise to the Board
- There is a perceived worrying gap with skills for example: legal skills

- Agreed that the Board be allowed to co-opt individuals, who may not be members, to fill up to two additional Director positions. These two positions will have equal rights to the rest of the Board of Directors.

Against

- The Board can already co-opt advice and expertise from outside
- If additional advice is needed in certain areas, by all means seek that advice, pay for it if necessary, but that is not a reason to put people onto the Board who wouldn't otherwise be there.
- How would unelected Board members be accountable to the Association and to members?
- Would like further information on how the initiative would be implemented:
 - Who would be co-opted or targeted to fill these positions?
 - How would they be appointed?
 - What are the criteria to be considered an expert?
 - Would these additional experts have voting rights?
 - Will they be appointed in a voluntary capacity?
 - Would their role be advisory only?
- ALIA is a not-for-profit organisation formed to support its members and the profession and we should not lose sight of this with too much emphasis on ALIA's financial and legal aspects. These areas are important but no more important than the other aspects affecting our environment.
- If ALIA needs such expertise another option is to consider developing or employing staff with these skills to provide such expertise to the Board. It may be more beneficial for ALIA to have staff members with this experience than requiring Board members to have the expertise. The Board's current ability to appoint Committees and working groups to support the Board is another option to provide additional experts required by the Board.
- The Board currently has the ability to co-opt anyone with the appropriate skills to work with the Board and has done so in the past. There should be no need to provide a 'seat on the Board' for people who would like to contribute to the betterment of the organisation, its members and the profession. I am in favour of anyone who is co-opted to assist the Board having their expenses met.
- Good in theory, but do these experts have a vote? With the proposal for the Executive Director to be a voting member there could be three of ten on the Board (ie 30 per cent) who are non-members of the Association. This may be a concern to some members.
- What would be the term of appointment of experts? If too long one could have three non-members as the long serving members of the Board with possible undue influence.
- Experts should be co-opted to assist the Board and work with the current standing committees, but should not be given a Directors role, nor voting rights. The number of co-opted experts should not be limited to just two.

5. All (elected) Director positions to be elected by the full ALIA membership

Summary

Most of the NAC regional meetings and others who commented supported this proposal.

However, there is a concern to recognise institutional members and to have specific mechanisms to meet their needs.

In support

- Most supported this proposal, without further comment.
- Our current voting process is too complicated and no longer necessary. All positions should be elected by the full ALIA membership

Against

- This should be decided by the institutional members
- I don't believe individual members are disadvantaged by having a member elected by institutions
- The current arrangement recognises the financial (if nothing else) contribution made by institutional members.

Other options

- Need a specific director rather than an 'elected by the institutions' director to act as the main point of contact for institutions. Need to put a structure in place to enable institutions to feed in directly to ALIA and it is important to work on the mechanism together.
- The Association needs to find better ways to support institutional members, but that providing a Director who was selected by institutions alone was not an effective support mechanism for those members.

6. Transition arrangements

Option 1: The positions of Vice-president and two Directors be elected for one year for 2007 and then the President, Vice-president and five elected Directors be elected in 2008.

Option 2: The current Board membership be continued in 2007 and the President, Vice-president and five elected Directors be elected in 2008.

Summary

Those who did not support the proposals for change did not see any need for transitional arrangements or found that discussion of the transition was premature before the changes have been decided.

Others did not have a preference or thought that it was up to the Board to analyse the costs and best potential for implementing sound change management procedures.

Other comments:

- The current ALIA Board members to continue in their roles until every Board member's term is completed. At this point there would be a complete change. This would mean an extra year for some but would probably result a smoother transition.
- It would be safer to wait another year to employ a new election model rather than institute it in the next election. The prospective Board members would not have time to undertake the necessary preparation to be 'Board ready'.
- To rollover the existing Board member in 2007, the Vice-president becomes President, a Vice-president is elected from the existing Directors and the outgoing President remains as a member of the Board. In 2008, commence staggered elections for Directors.